AMENDED IN ASSEMBLY APRIL 9, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2334

Introduced by Assembly Member Fong

February 24, 2012

An act to add Section 10004.8 to the Water Code, relating to water resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 2334, as amended, Fong. California Water Plan: drinking water and wastewater services.

Existing law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as the California Water Plan. Existing law prescribes the contents of the California Water Plan, and requires the department to include a discussion of various strategies and information in that plan.

This bill would additionally require the department to include an analysis of *water affordability and* possible mechanisms to address the lack of affordability of drinking water and wastewater services in updates of the California Water Plan.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares the following:

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(a) Throughout California, *hundreds of thousands of* low-income residents do not have access to potable drinking water and wastewater services without paying cost-prohibitive rates. Thus, reliable and potable drinking water is not affordable or accessible for many Californians.

- (b) It is in the public interest for all households to have access to safe and affordable water for basic needs and to have effective and affordable wastewater treatment.
- (c) While California has programs to ensure that low-income households have access to affordable and dependable basic energy and telecommunication services, the state has not adopted a similar program in what are the most basic and critical household utilities, water and wastewater.

14 (b)

 (d) The California Water Plan is the landmark plan to address water issues critical to Californians.

17 (c)

- (e) The purpose of this bill is to ensure that the Department of Water Resources includes in the California Water Plan an analysis of water affordability in California and possible mechanisms to increase statewide affordability of reliable drinking water and wastewater services for low-income households.
- SEC. 2. Section 10004.8 is added to the Water Code, to read: 10004.8. As part of updating the California Water Plan pursuant to subdivision (b) of Section 10004, the department shall-include an analysis of possible mechanisms, including, but not limited to, existing or potential funding sources, to address the lack of affordability of drinking water and wastewater services. do all of the following:
- (a) Identify water systems currently struggling or failing to meet federal affordability benchmarks.
- (b) Determine the factors contributing to the high cost in these systems.
- (c) Conduct an assessment of existing low-income water affordability programs.
- (d) Propose appropriate subsidization programs to make water affordable for high-cost communities. High-cost communities shall include the following:
- (1) Water systems serving disadvantaged communities, defined as communities with a median household income at or below 80

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percent of the state median household income, where water rates are more than 2 percent of the median household income.

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- (2) Water systems serving communities with a median household income no higher than 120 percent of the state median household income and where more than 10 percent of the population spends more than 2 percent of their income on water.
- (3) Other communities as determined to be appropriate by the department.